

Message Text

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PAGE 01 CANBER 04791 01 OF 02 081103Z

ACTION EA-09

INFO OCT-01 EUR-12 AS-01 ISO-00 FEA-01 ACDA-07 CIAE-00

INR-07 IO-13 L-03 NSAE-00 NSC-05 EB-07 NRC-05

OES-07 DODE-00 SS-15 SP-02 AID-05 CEA-01 COME-00

EPG-02 FPC-01 H-01 INT-05 OMB-01 PM-04 USIA-06

STR-04 TRSE-00 PA-01 PRS-01 /127 W

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R 080732Z JUL 77

FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC 826

INFO AMCONSUL MELBOURNE

AMEMBASSY PARIS

AMCONSUL SYDNEY

AMEMBASSY TOKYO

AMEMBASSY VIENNA

ERDA HQ GERMANTOWN

ERDA HQ WASHINGTON

LIMITED OFFICIAL SECTION 1 OF 2 CANBERRA 4791

USOECD

USIAEA

EO 11652: NA

TAGS: EMIN, ENRG, AS

SUBJECT: RECENT AUSTRALIAN DEVELOPMENTS ON THE URANIUM SCENE

I. AUSTRALIAN LABOR PARTY (ALP) BANS URANIUM DEVELOPMENT

1. ON JULY 7, AT THE BIENNIAL NATIONAL ALP CONFERENCE IN PERTH, THE ALP AGREED TO AN INDEFINITE MORATORIUM ON THE MINING, MILLING AND EXPORT OF URANIUM IN AUSTRALIA. IN THE VIEW OF THE ALP, THE MORATORIUM STARTS NOW.

2. BY UNANIMOUS DECISION, THE 49 ALP CONFERENCE DELEGATES

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PAGE 02 CANBER 04791 01 OF 02 081103Z

ALSO MADE IT CLEAR THAT THE ALP WILL REPUDIATE ANY DECISION BY A NON-LABOR GOVERNMENT TO MINE, MILL AND EXPORT URANIUM.

3. THE ALP AGREED TO HONOR EXISTING URANIUM CONTRACTS BUT ONLY FROM THE CURRENT LUCAS HEIGHTS STOCKPILE AND MARY KATHLEEN URANIUM MINE PRODUCTION. THE RECOMMENDA-

TION WAS ALSO ACCEPTED THAT IN THE EVENT OF THE MARY KATHLEEN MINE BEING CLOSED, OR AS A RESULT OF A SHORT-FALL IN COMMITTED CONTRACT, LABOR WOULD NOT ALLOW NEW MINES TO BE DEVELOPED. LABOR WOULD, HOWEVER, PROVIDE ASSISTANCE TO ENABLE CONTRACTUAL OBLIGATIONS TO BE MET FROM OVERSEAS SOURCES.

4. COMMENT: THE FACT THAT THE URANIUM MORATORIUM IS INDEFINITE DOES NOT PRECLUDE THE ISSUE FROM BEING DISCUSSED IN TWO YEARS AT THE NEXT NATIONAL ALP CONFERENCE. THE ACTION BY THE ALP RELATIVE TO URANIUM IS DICTATED BY THE FACT THAT ALP IS NOT CONVINCED THAT ADEQUATE NUCLEAR SAFEGUARDS AND NONPROLIFERATION STANDARDS HAVE BEEN DEVELOPED TO MAKE URANIUM DEVELOPMENT A SAFE VENTURE. ALSO, THE ALP WANTS PUBLIC DEBATE ON THE URANIUM ISSUE TO OCCUR BEFORE ANY DECISIONS ARE REACHED.

5. THE ALP URANIUM POLICY DOES INCREASE THE PROBLEM FACING ACTUAL AND POTENTIAL URANIUM DEVELOPERS WHO WOULD NOW HAVE TO PROCEED AT THEIR OWN LONG-TERM POLITICAL RISK, WHEN AND IF THE GOA GIVES THE GO-AHEAD FOR URANIUM.

II. PORT OF MELBOURNE BAN ON URANIUM SHIP

6. A JULY 2 CONFRONTATION IN MELBOURNE BETWEEN POLICE LIMITED OFFICIAL USE

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PAGE 03 CANBER 04791 01 OF 02 081103Z

AND ANTI-URANIUM DEMONSTRATORS LED TO CHARGES OF POLICE BRUTALITY BY THE MELBOURNE BRANCH OF THE WATERSIDE WORKERS FEDERATION (WWF). THE WWF IN TURN DEFIED THE FEDERAL WWF AND AUSTRALIAN COUNCIL OF TRADE UNIONS (ACTU) POLICY ON URANIUM EXPORTS AND ANNOUNCED IT WOULD NOT LOAD YELLOWCAKE OR HANDLE ANY SHIPS CARRYING IT.

7. A GERMAN SHIP, THE COLUMBUS AUSTRALIA, WHICH HAD EARLIER TAKEN ON ABOUT 100 TONNES OF YELLOWCAKE AT BRISBANE, LEFT MELBOURNE ON JULY 6 LEAVING BEHIND A DOLLAR A1 MILLION CARGO OF FROZEN MEAT AND AUTOMOTIVE PARTS DESTINED FOR THE US AND CANADA. PRIOR TO THE RECENT TROUBLE, COLUMBUS LINE SHIPS CARRYING URANIUM HAD BEEN TRANSITING MELBOURNE ON SEVERAL OCCASIONS WITHOUT INCIDENT.

8. COMMENT: THE MELBOURNE UNION ACTION FURTHER EMPHASIZES THE PROBLEM AUSTRALIA FACES IN DEVELOPING A URANIUM INDUSTRY. THE MELBOURNE INCIDENT COULD BE JUST A FORERUNNER OF LABOR UNION STRIFE WHICH CAN AFFECT THE URANIUM INDUSTRY. THE ACTION OF THE MELBOURNE WWF WAS CONTRARY TO ACTU POLICY WHICH IS TO HONOR EXISTING

URANIUM CONTRACTS BY SERVICING THE TRANSPORTATION
FACILITIES NECESSARY TO EXPORT THE YELLOWCAKE. THE
BRISBANE AND SYDNEY BRANCHES OF THE WWF HAVE LOADED
URANIUM CARRIERS WITHOUT INCIDENT.

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PAGE 01 CANBER 04791 02 OF 02 081833Z
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R 080732Z JUL 77
FM AMEMBASSY CANBERRA
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LIMITED OFFICIAL USE SECTION 2 OF 2 CANBERRA 4791

III. GOA VIEW ON FUTURE URANIUM CONTRACTS AND DEVELOPMENTS

9. THERE HAS BEEN PRESS SPECULATION THAT THE FRASER
GOVERNMENT INTENDS TO ENTER INTO IRREVOCABLE LEGAL
AGREEMENTS WITH URANIUM DEVELOPERS IN ORDER TO NEGATE
THE AUSTRALIAN LABOR PARTY POLICY OF NOT HONORING NEW
URANIUM EXPORT CONTRACTS ENTERED INTO BY A NON-LABOR
GOVERNMENT. THE AID OF THIS GOA ACTION WOULD BE TO
COMMIT ANY FUTURE AUSTRALIAN GOVERNMENT TO EXISTING
URANIUM EXPORT CONTRACTS. THE GOA REPORTEDLY GEELS
IT WOULD HAVE LITTLE TROUBLE IN NEGOTIATING BEGIN QUOTE
IRONCLAID END QUOTE AGREEMENTS WITH URANIUM DEVELOPERS,
BUT IT IS DIFFICULT FOR MOST OBSERVERS TO SEE HOW
FUTURE LABOR GOVERNMENTS COULD BE PREVENTED FROM OVERTURNING
CONTRACTS.

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PAGE 02 CANBER 04791 02 OF 02 081833Z

10. THE FRASER GOVERNMENT IS SEEKING TO GET OUT OF THE RANGER PROJECT. THE FORMER LABOR GOVERNMENT ENTERED INTO A MEMORANDUM OF UNDERSTANDING WITH PEKO WALLSEND-EZ INDUSTRIES ON OCTOBER 28, 1975. THE AGREEMENT PROVIDED THAT DEVELOPMENT OF THE RANGER PROJECT WOULD BE FINANCED 72.5 PERCENT BY THE ATOMIC ENERGY AGENCY AND THE REMAINDER BY PEKO-EZM THE LATTER WOULD RECEIVE 50 PERCENT OF THE NET PROCEEDS.

11. THE ACTION RELATIVE TO THE RANGER PROJECT IS CONSISTENT WITH THE FRASER GOVERNMENT POLICY OF EXTRACTING THE GOA FROM PARTICIPATION IN MINING VENTURES.

IV. NEW SOUTH WALES BRANCH OF NATIONAL COUNTRY PARTY
SAY MINE URANIUM

12. AT THE ANNUAL CONFERENCE OF THE NEW SOUTH WALES BRANCH OF THE NATIONAL COUNTRY PARTY (NCP), IT WAS DECIDED OVERWHELMINGLY THAT URANIUM SHOULD BE MINED, MILLED AND EXPORTED. A MOTION WAS DEFEATED THAT CALLED FOR FURTHER INQUIRIES AND WIDE PUBLIC DEBATE ON URANIUM BEFORE THE GOVERNMENT MADE ANY DECISIONS RELATIVE TO THE DEVELOPMENT OF A URANIUM INDUSTRY. THE NEW SOUTH WALES NCP POLICY SQUARES WITH THE VIEWS OF DOUG ANTHONY, THE NCP LEADER, DEPUTY PRIME MINISTER, AND MINISTER FOR NATIONAL RESOURCES.
ALSTON

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